

FINANCE COMMITTEE MEETING MINUTES

May 14, 2013

Elected Officials Present

Councilmember Yamamoto
Councilmember Fraley-Monillas
Mayor Earling
Council President Petso

Public Present

Ron Wambolt
Roger Hertrich
Phil Lovell
Bruce Witenberg

Staff Present

Phil Williams, Public Works Director
Al Compaan, Police Chief
Carrie Hite, Parks & Recreation Director
Deb Sharp, Accountant
Rob English, City Engineer
Sarah Mager, Accountant
Lief Bjorback, Assistant Building Official
Renee McRae, Recreation Manager
Jeannie Dines, Recorder

Councilmember Yamamoto called the meeting to order at 7:09 p.m. He requested the addition of an agenda item, 2013 COPS Hiring Grant Solicitation.

G. 2013 COPS Hiring Grant Solicitation

Mayor Earling explained in the past the federal COPS hiring program offered a 50/50 cost share. This year the federal government is providing 75% of the cost (salary and benefits) and the entity pays the remaining 25%. Chief Compaan approached the Edmonds School District (ESD) regarding a police officer in the schools; the School Board is meeting tonight to consider whether to pay all or a portion of the 25%. The program is a 3-year commitment with the 75/25 split; the fourth year Chief Compaan has proposed a 50/50 cost split between Edmonds and ESD. A fourth year is required.

Chief Compaan explained this is an annual grant program and funds are limited. Lynnwood has applied the last three years and has not been successful. Tonight's request is authorization to submit the grant application which is due by May 22. Notification will be made by September 30. School resource is one of the targeted areas of the grant so the City's application may have a better chance of approval with that approach rather than an entry level police officer.

Mayor Earling relayed ESD Superintendent Brossoit is excited about the possibility. A brief discussion followed regarding how the position would be funded in the fourth year.

Action: Finance Committee members expressed their support for submitting the grant application.

A. 2013 May Budget Amendment

Ms. Sharp reviewed the 2013 May budget amendment. General Fund amendments include, 1) Parks & Recreation's request to reinstate part-time staff that was cut from the 2013 budget. This amendment decreases ending fund balance, 2) Development Services – costs offset by grant revenues, and 3) costs associated with the Finance Director's resignation (two amendments). Funds reallocated from director's salary into professional services and overtime. No change in fund balance.

The four amendments related to street funds do not affect fund balance. The first is a reallocation of funds in street maintenance from professional services to repair and maintenance. The next three are capital projects cost offset by grant funds. The final amendment is for the sewer capital program; a request from the Engineering Department for \$1,337,910 for the rehabilitation of the 9 sewer lift stations.

Discussion followed regarding information previously provided to Council regarding these items.

Action: Finance Committee recommends approval. Schedule for full Council.

B. March 2013 Quarterly Financial Report

Ms. Mager made a brief presentation.

Action: Schedule on Consent Agenda.

C. Discussion regarding Issuance of 2013 Water, Sewer, and Stormwater Utility Bonds

Mr. Williams explained the recently approved Water and Stormwater Comprehensive Plan and the upcoming Wastewater Comprehensive Plan anticipate bonds to fund capital projects outlined in the plans. Projects in the Water Comprehensive Plan include replacement of aging water lines. Projects in the Stormwater Comprehensive Plan include projects related to flooding and drainage. The Wastewater Comprehensive Plan includes the treatment plant, collection system and pump stations. Mr. English provided a draft list of 282 wastewater projects. A final list will be provided in the Wastewater Comprehensive Plan.

Mr. Williams recalled the Council's decision to delay a wastewater rate adjustment until the Wastewater Comprehensive Plan was complete. Wastewater rates have not been increased since 2002; rates were lowered in 2006 by 2.24%. He distributed a 2013 rate comparison for single family water, sewer and stormwater rates.

Scott Bauer, A. Dashen & Associates, provided information regarding the bond market, outstanding revenue bonds, delegation authority, sale methods (negotiated or competitive), and schedule of events. In addition to funding projects, the City has the ability to reimburse itself for prior costs.

Action: Schedule presentation to full Council by Scott Bauer.

D. Alternative Chart Format for Monthly Report

Ms. Mager described the addition of the 2012 actual column.

Action: Scheduled for full Council.

E. Park Levy Exploratory Committee Recommendation

Ms. Hite described the formation of a Metropolitan Parks District (MPD) Exploratory Committee, the committee's recommendation to Council in July, and Council's direction to continue exploring options for 2013. A report was provided to Council at their retreat and Council directed staff to continue working with the committee and return with a recommendation. The committee has held four meetings since January and determined an MPD is not the best option at this time for Edmonds as it was felt to be too much for the community to accept.

MPD Committee Member Phil Lovell explained attendance at committee meetings varied from 6-30. After discussing pros and cons of an MPD and a park levy lid lift, the committee recommends a 3-year \$2 million levy lid lift devoted to parks and recreation programs and facilities, restore lost services and revenues, and establish a capital fund for delayed equipment maintenance and replacement. Parks and Recreation and street overlays were high priorities in the Strategic Plan. The committee also

recommends the Council develop a strategy to utilize funds in the budget previously allocated to Parks and Recreation for street overlays/maintenance.

MPD Committee Member Bruce Witenberg explained in addition to several citizens, Mayor Earling, the Finance Director, Ms. Hite, Councilmembers Buckshnis and Yamamoto, and Ms. McRae attended committee meetings. The cost of the proposed \$2 million levy lid lift is \$10/month for a house assessed at \$350,000 and \$12/month for a house assessed at \$400,000. If a levy passes in 2013, the funds will be collected in 2014, 2015, and 2016. The committee recognized the need for substantial Council support of a levy to avoid the negative impact that a fractured Council had on the previous levies.

Action: Schedule discussion at full Council next week.
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F. Public Comments

Ron Wambolt, Edmonds, referred to the monthly reports and suggested the methodology for projections be changed. The correct way to do a projection is to add the budget for the remaining months to the YTD actual. Using the current method, the General Fund projections indicate a levy lid lift is not necessary.

Roger Hertrich, Edmonds, referred to the 2013 monthly report and the projection that the City will collect \$1.2 million in REET which would provide \$500,000 for streets. He suggested the MPD Committee consider the projections. He requested a list of the people who attended individual MPD Committee meetings.

Adjournment – The meeting adjourned at 8:01 p.m.